

TERMS OF SALE - Secured Party Sale by Auction of M&M Precision Machining, February 7, 2012

Notice: All persons, bidders, interested parties, registered bidders or persons intending to register, view, inspect, bid or purchase any equipment, lot or item (collectively the "Equipment") at this auction sale agree that they have read and have full knowledge and understanding of these terms and agree to be bound by these terms. All persons attend this sale at their own risk. Within these Terms of Sale, "Auctioneer" means "Salvadore Auctions & Appraisals, Inc." including its officers, directors, employees, agents and assigns". "The Seller" means the Secured Party, including its officers, directors, employees, agents and assigns. Equipment means any item(s) offered for bid or for sale.

1) IDENTIFICATION OF BIDDER: All purchasers are required to give full name and address.

2) DEPOSIT: Each purchaser or bidder will be required to make a deposit in cash, check (certified) of \$100.00.

3) TIME OF PAYMENT AND SETTLEMENT, BUYERS PREMIUM, TITLES: All bills and/or invoices due must be paid in full in US Dollars at the end of the auction sale. Title shall pass after full payment has been received by the Secured Party. METHOD OF PAYMENT: Cash, Certified Check, Wire Transfer, Business Check with bank letter guaranteeing unqualified payment to the Auctioneer, will be accepted for payment. **ALL SALES FINAL REGARDLESS OF MANNER OR METHOD OF PAYMENT.** BUYERS PREMIUM: A Fifteen and One Half Percent (15.5%) Buyers Premium will be charged and shall apply to all lots sold. Payment by cash or approved check shall be at a 3% discount on the buyers premium. Successful internet buyers shall be charged an additional 3% fee for use of the internet bidding platform. Auctioneer has not taken possession of Equipment being offered at auction and is acting as an agent of the seller only.

4) CONDITION/REPRESENTATION OF ARTICLES SOLD: The Auctioneer and the Seller shall not be responsible for the accuracy or correctness of the description of the Equipment. The Auctioneer and the Seller shall not be responsible for the authenticity or defect in any Equipment and make no warranty or representation of any kind whatsoever either expressed or implied in connection with any Equipment being sold or presented for sale. No deductions, allowances, returns, credits, or reimbursements will be allowed for any equipment damaged. **All Equipment is sold strictly "AS IS, WHERE IS" and without recourse.** No Equipment sold or presented for sale is warranted as merchantable or fit for any specific or particular purpose or use. No Claims may be made by any purchaser that relate to the fitness, use or condition of any Equipment purchased or for any damages whether consequential or otherwise which arise therefrom.

5) METHOD OF PAYMENT: All checks, deposits, balances due shall be made payable to the order of Salvadore Auctions & Appraisals, Inc. or their assigns or subsidiaries. All bills and invoices must be paid to an authorized representative of The Auctioneer unless other arrangements, terms or procedures are announced. The full purchase price, including Buyer's Premium, appropriate Sales and/or Use Taxes on all lots sold must be paid within the time announced and fixed and before the removal of any item. All payments must be made in Cash, Certified Check, Wire Transfer, or Company Check with Bank Letter of Guaranty only unless other terms have been agreed to in writing between the parties. FOR BIDDERS PAYING BY CHECK: A bank letter guaranteeing unqualified payment to Salvadore Auctions & Appraisals, Inc. must be provided on original bank letterhead. Original may be faxed to the office.

Example of Bank Letter on Bank Stationary:

**To Salvadore Auctions & Appraisals, Inc;**

**XYZ Company is a customer in good standing of ABC Bank. ABC Bank will guarantee unqualified payment up to \$XXX,XXX.XX for business check presented as payment for purchases made by XYZ Company at auction of East Coast Industries on February 8, 2012. ABC guarantees funds for 30 days from February 8, 2012. THIS LETTER MUST BE SIGNED BY A BANK OFFICER. NO PERSONAL CHECKS. NO EXCEPTIONS.**

6) **REMOVAL:** All purchases must be removed by 4 P.M. Wednesday, February 8, 2012, **unless alternative time frame has been agreed to in writing by the seller and the bidder.** All small items of Equipment should be removed immediately following the conclusion of the sale. No Equipment shall be removed during the sale. Unless agreed to in writing by the Seller and the Purchaser, Seller shall not assist in the movement, loading, removal or relocation of any equipment. Removal shall be at the sole expense, risk, liability and responsibility of the purchaser. **Auctioneer shall not be responsible under any circumstances for any Equipment not removed within the time allowed. Auctioneer shall not be responsible for loss resulting from storage on or at auction site after conclusion of sale.** Failure to remove any Equipment purchased by 4 P.M EST February 8, 2012 shall be deemed to be abandonment of such Equipment and Seller shall be entitled to dispose of such Equipment for its own account and in any manner it chooses, unless otherwise agreed to in a writing signed by the Seller and the Purchaser. All Equipment left on the premises 24 hours after the close of the auction are left at the sole risk of loss by the purchaser. Any rigger, mover, crane operator, person or entity engaging in the removal, dismantling or transportation of any lot from this site for hire shall present a valid insurance certificate demonstrating coverage of US \$2,000,000.00 to the Seller prior to commencement of any work on the premises. Auctioneer will cease to have supervision of the property after February 8, 2012.

7) **INDEMNIFICATION:** **The undersigned** agrees to hold the Auctioneer, Salvadore Auctions & Appraisals, Inc. and Seller, its agents, attorneys, officers, directors, shareholders, successors and assigns harmless from and against all liabilities, claims, damages, or actions relating to or arising from the condition or use of the Equipment purchased, or from the failure of the purchaser or user to conform to or follow instructions, warnings, operating or other recommendations of the manufacturer, or failure to comply with state, federal or local law(s) applicable to such articles, lots or items, or from any damages whether consequential or otherwise, and any and all costs or legal expenses arising from any liability, claim or action.

8) **SALE BY ESTIMATED WEIGHT, COUNT OR MEASURE:** Equipment that is sold by estimated weight, count or measure shall be invoiced at such rate, should any shortage exist, such shortage must be brought to the attention of the Auctioneer or authorized representative of the Auctioneer prior to removal from the premises. Any shortage which is reported after removal shall not be considered for any reason whatsoever.

9) **RESPONSIBILITY OF NON- DELIVERY:** Auctioneer shall not be responsible to any party for non-delivery

10) **RISK ASSUMED BY PERSONS, BIDDERS AND PURCHASERS:** All persons whether purchasers, attendees, or interested parties attending the sale or the inspection assume all risks of

damage or loss to person and property and release the Auctioneer, Salvadore Auctions & Appraisals, Inc. and the Seller from any and all liability therefor. The Auctioneer and the Seller shall not be liable for any defect in or condition of the premises of the Seller. **All persons attending this sale do so at their own risk and hereby release the Auctioneer and the Seller from any and all claims arising from attendance at this auction and hereby hold harmless the Auctioneer and Salvadore Auctions & Appraisals, Inc. and the Seller from all damages, costs, expenses and claims arising from any action or cause of action arising from this sale.**

11) **ADDITION TO/WITHDRAWAL FROM SALE:** Auctioneer reserves the right to add or withdraw items, articles or lots from the sale whether listed or not, and reserves the right to group, split, combine or divide lots in to larger or smaller lots wherever the best interest of the seller is served.

12) **DISPUTE BETWEEN BIDDERS:** Auctioneer reserves the right to put up for resale or decide winner should a dispute among bidders arise. **The Auctioneer's decision shall be deemed absolute and final.**

13) **ITEMS WITH RESERVE OR SOLD SUBJECT TO OWNER CONFIRMATION:** On Equipment for which there is a reserve, the Auctioneer reserves the right to bid on the behalf of the Seller. Auctioneer shall have the right to reject any and all bids without explanation. Equipment sold subject to Seller confirmation shall be deemed sold upon confirmation by Seller and not by the cry of sold or any other gesture by the Auctioneer.

14) **RECORDS/AGENCY:** The record kept by the Auctioneer or clerk shall be final in the event of dispute. The Auctioneer is acting as agent only and is in no way responsible for the actions or acts of its principle.

15) **DEFAULT OF PAYMENT:** Should purchaser default on payment for any reason or fail to pay bills in full within the time announced and specified, Auctioneer and Seller shall be entitled to, and in addition other remedies or law, retain all monies received as deposit, partial payment or otherwise as liquidated damages. Any Equipment not removed within the fixed time allowed may be resold at a future sale whether public or private without further notice. All expense, balances due, charges of resale, will be charges to and be the responsibility of the undersigned.

16) **ADDITIONAL TERMS AND CONDITIONS:** Auctioneer may add additional terms and conditions to the sale. Such terms shall take precedence.

I have read the above terms and conditions and agree to be bound by these terms and conditions. Read and Understood and agreed by:

\_\_\_\_\_ Date: \_\_\_\_\_ Bidder # \_\_\_\_\_  
For Company

\_\_\_\_\_ For Individual \_\_\_\_\_  
Print Company Name

By: \_\_\_\_\_ Title \_\_\_\_\_  
Print Name: \_\_\_\_\_